packages would depend upon the tie up of funding arrangements and outcome of the proceedings pending before the BIFR, which is a quasi-judicial authority. The alternative of takeover of the units of FCI and HFC by any of the profit making fertilizer public sector undertakings/cooperatives was explored by the Govemment. Because of the commitments of these undertakings towards their own on-going expansion projects and joint ventures for augementing the fertilizer production capacity, no such proposal could materialise. However, KRIBHCO has evinced interest in setting up a new ammonia /urea plant at Gorakhpur, using the existing infrastructure of FCI.

A preliminary offer has been received from the Export and Import Bank of Japan for participating in the revamp of the units of HFC. The conditionalities of the proposed financial assistance require further examination.

Constitution of high power committee to review the urea pricing system

747. SHRI NILOTPAL BASU: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have constituted a high-powered committee to review the existing system of urea pricing;

(b) if so, the terms of reference of the committee; and

(c) the present retention price of urea of the operating units in Public, Cooperative and Private Sector?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SIS RAM OLA): (a) and (b) A High powered Fertilizer pricing Policy Review Committee has been constituted on 28.1.97 to review the existing system of subsidization of urea and suggest a rational, broad based, scientific and transparent methodology. The terms of reference, of the Commitee are as follows:—

(i) To review the working of the Retention price Scheme (RPS) for fertilizers and to make suggestions for correcting the deficiencies of the system, keeping in view the broad objectives of economic reform.

(ii) To review the adequacy or otherwise of incentives to the industry. Issues relating to reasonableness of return on networth, norms of capacity utilization, depreciation etc.

(iii) To suggest appropriate capital norms and debt equity ratio in respect of new fertilizer projects.

(iv) To review the input pricing policy and its impact on the RPS.

(v) To review the system of equated frieght and recommend measures to rationalize it, including minimization of cross country movement to reduce leads.

(vi) To suggest measures to improve the cohesiveness of the policies in respect of the controlled and decontrolled segments of the fertilizer industry, especially the policies impinging on the availability of fertilizers and the relative pricing of controlled and decontrolled fertilizers with a view to achieving an agronomicaily desirable NPK consumption ratio, while keeping the fertilizer subsidy at a reasonable level.

(vii) Any other item that may be considered appropriate.

(c) The weighted average retention price for urea units under Public, Cooperative and Private Sector is Rs. 5205/MT, Rs. 4609/MT and Rs. 6130/ MT, respectively.

Profitability of Public Sector Fertilizer Companies

748. SHRI JOY NADUKKARA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of all the public sector fertilizer companies in the country;

(b) how many of them are running at a profit for the last three years;